

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 988 - SB 1274

March 18, 2011

SUMMARY OF BILL: Authorizes entities licensed as a manufacturer of intoxicating liquors to sell alcoholic beverages for on-premises consumption.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue – \$300/One-Time/AC Fund
\$800/Recurring/ABC Fund
Not Significant/Recurring/General Fund**

Increase State Expenditures – Not Significant

**Increase Local Revenue – \$600/Recurring/Permissive
Increase Local Expenditures – Not Significant**

Assumptions:

- According to the Alcoholic Beverage Commission (ABC), the provisions of this bill will only apply to the 33 counties authorized to license a manufacturer of intoxicating liquors pursuant to § 57-2-103(d).
- According to ABC, two establishments are licensed manufacturers of intoxicating liquors. Estimate assumes at least one establishment will be granted a liquor-by-the-drink license.
- There is a \$300 initial license application fee and a \$750 annual renewal fee to the State ABC Fund.
- No additional personnel or resources will be required by the ABC.
- Local privilege tax is estimated to be \$600 annually. Any increase in local government expenditures for collecting local privilege taxes is estimated to be not significant.
- The entity will be assessed state and local sales taxes on alcoholic beverage sales, a 15 percent liquor-by-the-drink tax on each alcoholic beverage sold, and any applicable county or city privilege tax. These taxes will not have a significant state or local fiscal impact.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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